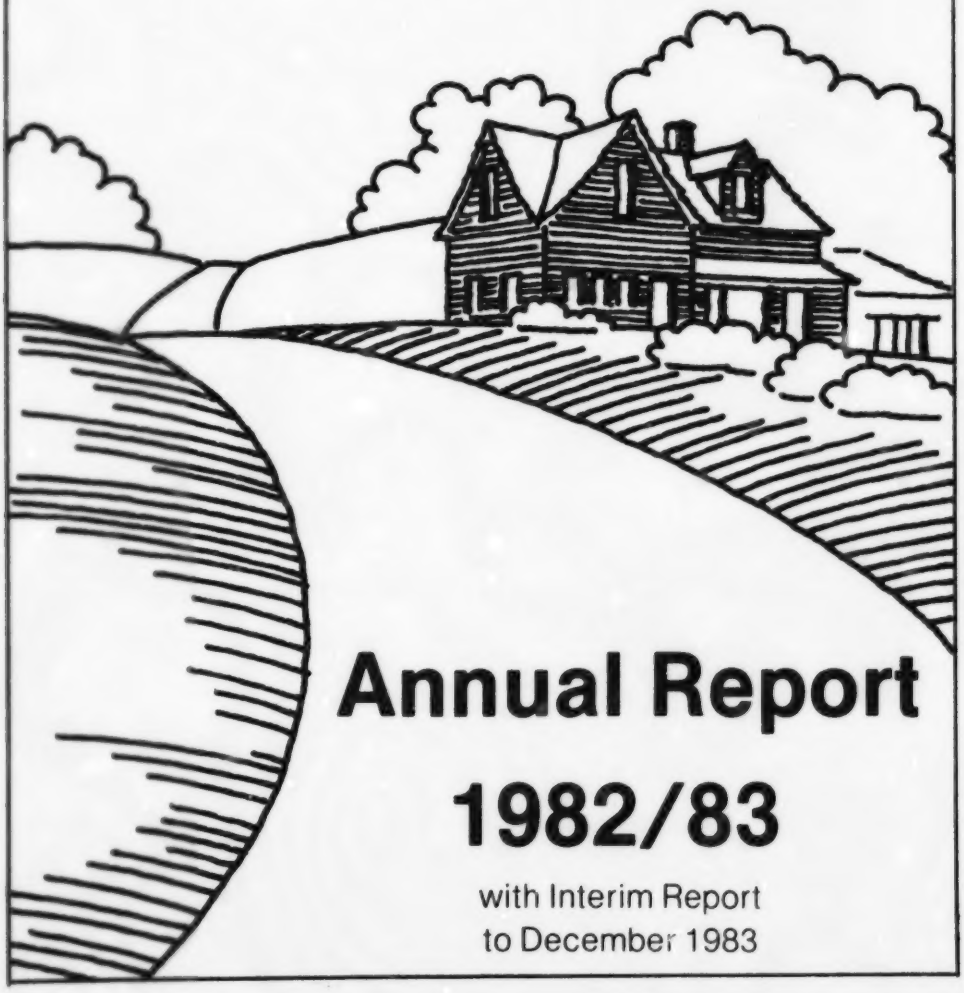
PRINCE EDWARD ISLAND
HOUSING CORPORATION

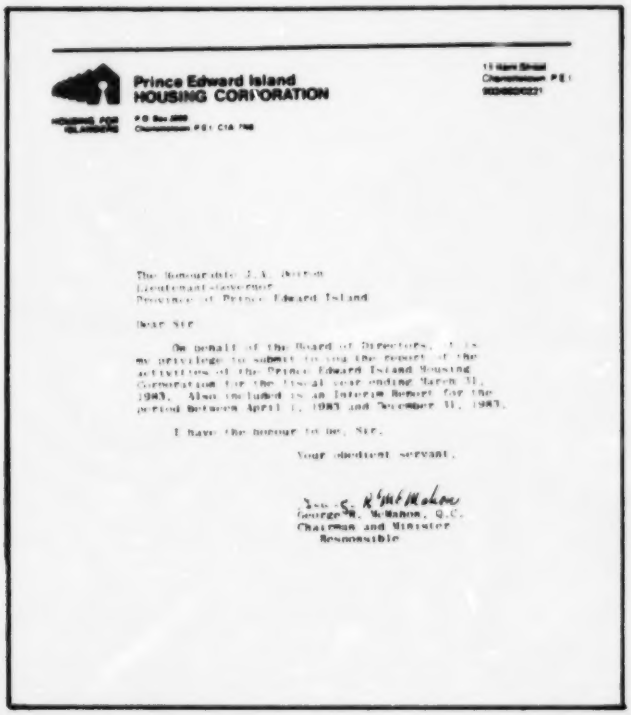


Annual Report

1982/83

with Interim Report
to December 1983

Letter of Transmittal



Prince Edward Island
HOUSING CORPORATION

The Honourable J.A. Aiken
Lieutenant-Governor
Province of Prince Edward Island

Dear Sir

On behalf of the Board of Directors, I have the privilege to submit herewith the report of the activities of the Prince Edward Island Housing Corporation for the fiscal year ending March 31, 1983. Also included is an Interim Report for the period between April 1, 1983 and December 31, 1983.

I have the honour to be, Sir,

Your obedient servant,

George R. McMahon, Q.C.
Chairman and Minister
Responsible

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Board of Directors

As at March 31, 1983

Honourable Gordon Lank, Chairman
Minister Responsible for the
Prince Edward Island Housing Corporation

Douglas Kirby, Vice-Chairman
Kinkora

Bruce Clarke, Secretary-Treasurer
Charlottetown

Earle Arsenault
East Royalty

Allison Croken
Charlottetown

John Forbes
Summerside

Kevin Kilbride
Foxley River

George Whiteway
Dover

General Manager's Review

After a downturn in the previous two years, the residential construction sector in Prince Edward Island enjoyed a much welcomed recovery in 1983. Building permits issued for new housing rose from 313 units in the 1981/82 fiscal year to 566 units in 1982/83. Over the 1983 calendar year the total reached 744. While this figure is not up to the levels of activity of the growth years in the 1970's, it is a significant improvement over the preceding years. Overall, housing demand should, however, be more moderate in the 1980's than it was in the past decade now that many of the baby boom generation have their own housing and the pace of population growth in the Province has decreased. The construction level of the past year seems to be in line with the level of market demand we can anticipate over the next few years. This change in the level of demand has necessitated a difficult adjustment period for those in the residential construction sector, but much of this change has now taken place and prospects appear to be much more stable for our building community.

The upswing in construction activity this past year can be attributed largely to three factors. First, interest rates have come down from their previous prohibitive levels. In April 1982, the interest charged on a typical one year mortgage stood at 18.25 per cent. One year later it was down to 10.75 per cent and by December 1983 it was lower still at 10.25 per cent. These rates have an enormous impact on the cost and feasibility of new homes and apartments. Second, the federal government provided a positive impetus for housing construction through its economic recovery programs. The Canadian Home Ownership Stimulation Plan and the Canada Rental Supply Plan were very helpful in stimulating residential construction activity. Third, the provincial and federal governments undertook a very vigorous program of public housing construction. The 99 units of Senior Citizens and Family Housing begun in 1982/83 represents a major initiative not only in its economic impact but also its provision of much needed social housing.

A steadying influence on the residential construction sector throughout this time has been home repair activity. While it was once considered a minor part of the industry by many, it has grown in importance to the point that it is now on a par in P.E.I. with new construction as a generator of jobs. This repair work has greatly improved the living conditions of many Island residents and has enhanced the quality and appearance of one of the Province's most identifiable assets: its distinctive older homes. Once again, the P.E.I. Housing Corporation played a key role in home repair as it delivered 677 approvals under the federally funded Residential Rehabilitation Assistance Program and 163 approvals through the Provincial Contribution to Seniors — Home Repair Program.

Between construction and repair activity, the housing industry made a direct contribution of some $37 million to the Provincial economy in 1983. The residential construction sector directly employs approximately 2,000 workers and related industries such as real estate, lending and retail suppliers account for many more. Residential construction comprises approximately five per cent of the Gross Provincial Product. Because housing is located throughout the Province, residential construction is an industry that is active from North Cape to East Point. Many of its trades persons are independent or work for small firms

and can be found in almost every community. The health of the sector is important to the Province and it is for that reason that the recovery of the past year has been particularly gratifying.

One of the benchmarks by which progress in the field of housing can be measured is Census data. This past year many of the findings of the 1981 Census were published. In general, the data indicated that Islanders are well housed and that their housing conditions have improved immensely over the past decade. Only thirteen years ago approximately twenty per cent of Island homes had no indoor piped water. In 1981, that figure was down to two per cent. Roughly one-quarter of our existing housing stock in 1971 was in need of major repair whereas less than ten per cent of our homes fell in that category in 1981. Still, there were more than 3,000 dwellings in P.E.I. in 1981 that remained in need of major upgrading and 7,500 more in need of minor repairs. It was also worrisome that a third of our renters and one in six homeowners had to pay more than thirty per cent of their income to housing costs. We have advanced a long way, but there remains a significant need for improvement.

On the administration level, one of the major initiatives of the P.E.I. Housing Corporation in the past year was the decentralization of the maintenance operations. This completes the decentralization of the Corporation's major services that was begun in 1980. We are pleased that we can now provide our full range of services through the Regional Services Centres for while we are a small province, we have strong local identities and needs. The Corporation now administers housing stock in approximately forty communities and it is important that our services be readily available to all locations. Management of that housing stock is become increasingly important. For example, the number of Senior Citizens Housing units have grown by nearly fifty per cent during the past six years while the replacement value of the total housing stock administered by the Housing Corporation is now over 30 million.

I would like to thank those with whom the Corporation works on a daily basis, including builders, service contractors, the staff of Canada Mortgage and Housing Corporation and other federal, provincial and municipal representatives, for the co-operation they have given us in the past year. In particular, I am grateful to the staff of the P.E.I. Housing Corporation for their competent and professional handling of the Corporation's business.

Ginger Breedon
Acting General Manager

Program Activities

Residential Rehabilitation Assistance Program

More than a quarter of Prince Edward Island's dwellings, 26.3 per cent, were constructed prior to 1921. No other province in Canada has such a high proportion of older homes. These homes are a particular source of pride for Islanders since they help give the countryside and communities a sense of heritage and distinction. Maintaining older homes, however, is often difficult and expensive. These dwellings frequently require major alterations to foundations, plumbing systems and wiring, costly improvements to roofs, doors, windows or structural elements and repairs to adapt the homes to safe, modern use. The pre-1921 homes are not, of course, the only dwellings requiring considerable upgrading and repairs as the whole housing stock ages. Since 1975, the Residential Rehabilitation Assistance Program has been helping to make this repair work possible for many Island residents.

As in previous years, RRAP enjoyed a high level of activity in 1982. In the areas where the program is administered by the P.E.I. Housing Corporation a total of 677 units were approved for repairs. Of these approvals, 645 were in rural RRAP areas and 32 were in areas formerly designated under the Neighbourhood Improvement Program. Forgiveable and repayable loans made for these approvals totalled $2,713,000 in rural areas and $133,000 in NIP areas. In areas where municipalities either administer the program or have Canada Mortgage and Housing Corporation act as the delivery agent, another 219 approvals were made for assistance valued at $566,000. In total, 896 approvals were made under the program in P.E.I. in 1983.

The grant and loan assistance for the Residential Rehabilitation Assistance Program is provided by the federal government through the Canada Mortgage and Housing Corporation. The program provides up to $10,000 in grants and loans for the upgrading of substandard housing units. The assistance guidelines were adjusted in 1982 to raise the maximum forgiveable loan from $3,750 to $5,000 (or $6,250 where repairs are made to make the home more liveable for a disabled occupant). CMHC also adjusted the income eligibility criteria so that homeowners with annual incomes of $23,000 or less could qualify for forgiveable assistance. Landlords are also eligible for the program with assistance of up to $3,500 per unit to cover half of the cost of improvements.

Demand continues to be very storng for RRAP in P.E.I. The P.E.I. Housing Corporation received more than 1,500 applications in 1982 in rural areas alone. This figure was particularly high due to the adjustments to the income eligibility which extended the availability of the program to a larger potential client group. Data from the 1981 Census confirms this continuing need for home repair in P.E.I.

Provincial Contribution to Seniors — HOme Repair Program

The Province supports the work of community groups who undertake home repair projects by providing grant assistance for the purchase of materials. Such groups utilize federal job creation assistance under the Canada Community Development Program to cover labour costs. As a result, these groups are able

to offer their services to low income seniors to make repairs at little or no cost to the seniors. The projects create work for those facing unemployment and provide assistance that helps seniors live more comfortably and securely in their homes. The Provincial Contribution to Seniors — Home Repair Program makes grants of up to $750 per house available for the purchase of materials for use on the homes of homeowners of age 60 or over. The income eligibility for the program was adjusted in 1982/83 to tie it to the Old Age Security and Guaranteed Income Supplement. Single person household heads now are eligible where their annual income is $2,500 or less above the basic OAS plus GIS amount. Couples are eligible where their income is up to $1,000 above the basic OAS plus GIS amount. Since OAS and GIS amounts are indexed, the income eligibility will automatically go up as inflation occurs.

Home repair groups traditionally commence work late in the autumn and complete their projects by the summer or early autumn of the following year. During the November 1981 to September 1982 period, groups were active in the Southern Kings and Queens, West Prince and Eastern Kings areas. These groups completed repairs to 138 homes and fully utilized the provincial assistance of $76,000. The same groups undertook projects for the November 1982 to October 1983 period along with two new groups from North Rustico and Charlottetown. The Province committed a budget of $91,300 for these projects. As at March 31, 1983, these groups had made 116 new approvals.

Senior Citizens Housing

One of the largest annual construction programs for Senior Citizens Housing in Prince Edward Island was initiated in 1982/83. Seven projects providing a total of 81 units were started during the latter part of 1982. This capital construction program expanded the existing Senior Citizens Housing stock by more than ten per cent. The projects were particularly timely in that inflation and falling vacancy rates were making it increasingly difficult for many seniors to find affordable housing on their own. At the same time, the rental housing construction sector, given the high interest rates and costs, were experiencing a high level of unemployment and had few prospects for other new locations. The Senior Citizens Housing projects undertaken were:

Charlottetown	38 units
Summerside	12 units
Montague	8 units
Alberton	6 units
O'Leary	6 units
Souris	6 units
Crapaud	5 units

In addition to the new construction, Senior Citizens Housing projects were also completed in Summerside (18 units) and Souris (5 units). These 23 units brought the total number of existing units in P.E.I. as at March 31, 1983 to 756 in 32 Island communities. These units are directly administered by the P.E.I. Housing Corporation.

In conjunction with the Department of Community and Cultural Affairs, an Art to Seniors program was initiated during the year to provide local and provincial art works for the common areas of newly completed buildings. This art should help to add a more personal touch to the building and contribute to the tenants' enjoyment of their new homes.

Senior Citizens Housing provides self-contained housing units for the elderly in communities throughout the Province. Tenants for projects are selected in accordance with their need for housing assistance and their rents are based on a rent-to-income scale. The construction and operation of Senior Citizens Housing projects are financed under Section 40 of the National Housing Act. Under this section, the Federal Government provides funding for 75% of the costs of the projects while the Provincial Government provides the remaining 25%. Prior to 1977, projects were constructed with federal loan funding under NHA Section 43. Operating losses in these Section 43 projects are shared on a 50/50 basis between the Federal and Provincial Governments under NHA Section 44.

Family Housing

Three new projects were started during the 1982/83 fiscal year. These projects, each of which consisted of six units, were located in Tignish, Summerside and Montague. As at March 31, 1983, there were 191 Family Housing units in Prince Edward Island located in nine communities.

The Family Housing Program provides for the construction or acquisition of rental housing for families who cannot otherwise afford adequate accommodation. Funding for the construction and operating costs are shared on a 75% federal/25% provincial basis in accordance with Section 40 of the National Housing Act. The projects, once completed, are administered by local Housing Authorities. These Authorities select the tenants, based on an appraisal of needs, and manage the operations of the projects. The members of the local Housing Authorities are local residents who provide their time without remuneration.

Helping Hands for Seniors Project

The Helping Hands for Seniors Project was part of the 1982 Provincial Youth Development Program. This program, which was funded by the P.E.I. Department of Labour, was aimed at providing summer employment for students through a number of projects that offer both valuable work experience to the students and benefits to provincial residents. Sixteen students were employed during a twelve week period in the summer of 1982 to provide "helping hands" to assist senior citizens homeowners in the exterior upkeep of their homes. Work was carried out at the homes of 143 seniors with painting and scraping, yard work, work to fences and accessory buildings and basement or shed clean-outs being the most requested types of work.

Summary of Activities

Summary of Program Activities for 1982/83
Prince Edward Island Housing Corporation

Program Area	Units Assisted	Expenditures/Comments
Home Repair Programs		
*Rural RRAP	645	$2,713,000 federal funding
*NIP-RRAP	251	$ 699,000 federal funding
Provincial Contribution to Seniors	138	$ 76,000 provincial funding
Home Rental Programs		
Senior Citizens (New Units)	81	$2,800,000 construction
Family Housing	18	$ 816,000 construction
Property Management		
Senior Citizens	756	maintenance & administration
Social Housing	76	maintenance & administration
Rural & Native	38	maintenance & administration

*Figures are for calendar years. NIP-RRAP figures are for all NIP areas.

Interim Report (April — December 1983)

The Period in Review

The recovery that began in 1982 gained momentum in 1983. Building permits for the 1983 calendar year were issued for 744 units, a 77 per cent increase over the 1982 calendar year. The figure stood as the highest annual total in four years. One of the most welcome signs was the interest of private sector builders in constructing rental housing. More than 100 apartment units were started by private builders in 1983, the first time since 1979 that significant rental construction activity had taken place. These new units should be very quickly rented as the vacancy rate in the province has been around the one per cent level. The federal and provincial governments again played a very active role in creating rental housing for low income seniors and families by starting 90 units under the Senior Citizens Housing and Family Housing Programs.

The P.E.I. Housing Corporation was involved in planning and arranging financing for two major residential, special purpose facilities in the province. The Summerside Manor, where construction started in early autumn, will provide 76 beds for the elderly while the Riverside Home for Special Care, slated to start early in 1984, will replace outdated facilities with a new 80 bed wing. Between them, these projects represent a $10 million capital investment in the expansion and upgrading of special purpose accommodation in P.E.I. Both of these projects will be taking advantage of federal assistance available under CMHC's public non-profit housing program.

The P.E.I. Housing Corporation had an active year in its other programs as well. The number of approvals under the Residential Rehabilitation Assistance Program was slightly lower than in 1982 but total assistance was increased, the capital construction program produced 90 units and the Provincial Contribution to Seniors — Home Repair Program and Helping Hands for Seniors Project exceeded their 1982 output. Altogether, the P.E.I. Housing Corporation played a role in the commitment or expenditure of approximately $17 million in program assistance in 1983.

Residential Rehabilitation Assistance Program

The P.E.I. Housing Corporation processed 628 approvals in Rural RRAP areas and 47 in NIP-RRAP areas with a combined total of $3,242,000 in loan and grant assistance. In the Province as a whole, 900 dwelling units and 100 beds in care facilities were approved for RRAP assistance in the 1983 calendar year. The program also reached an impressive milestone during the year. Since its inception in 1975, RRAP has assisted in the repair of more than 12,000 dwelling units. This represents 36 per cent of the P.E.I. housing stock and $250 million in home repair work.

Provincial Contribution to Seniors — Home Repair Program

The groups that undertook home repair projects during the late autumn 1982 to early autumn 1983 period combined to make 163 approvals. These groups were active in Southern Kings and Queens (63 approvals), Eastern Kings (41), West Prince (39), North Rustico (11), and Charlottetown (9). The program provided approximately $91,800 in grant assistance for these repairs. In late 1983, four of these groups (Southern Kings and Queens, Eastern Kings, West Prince and North Rustico) commenced activity for the 1984 phase.

Senior Citizens Housing

Official openings were held for the seven projects that were completed in 1983. These projects were in Charlottetown (38 units), Summerside (12), Montague (8), Alberton (6), O'Leary (6), Souris (6) and Crapaud (5). Projects were also started in 1983 in Charlottetown (39), Cornwall (6), Kensington (6), Morell (6), Wellington (6), Wilmot (6), and Cardigan (4).

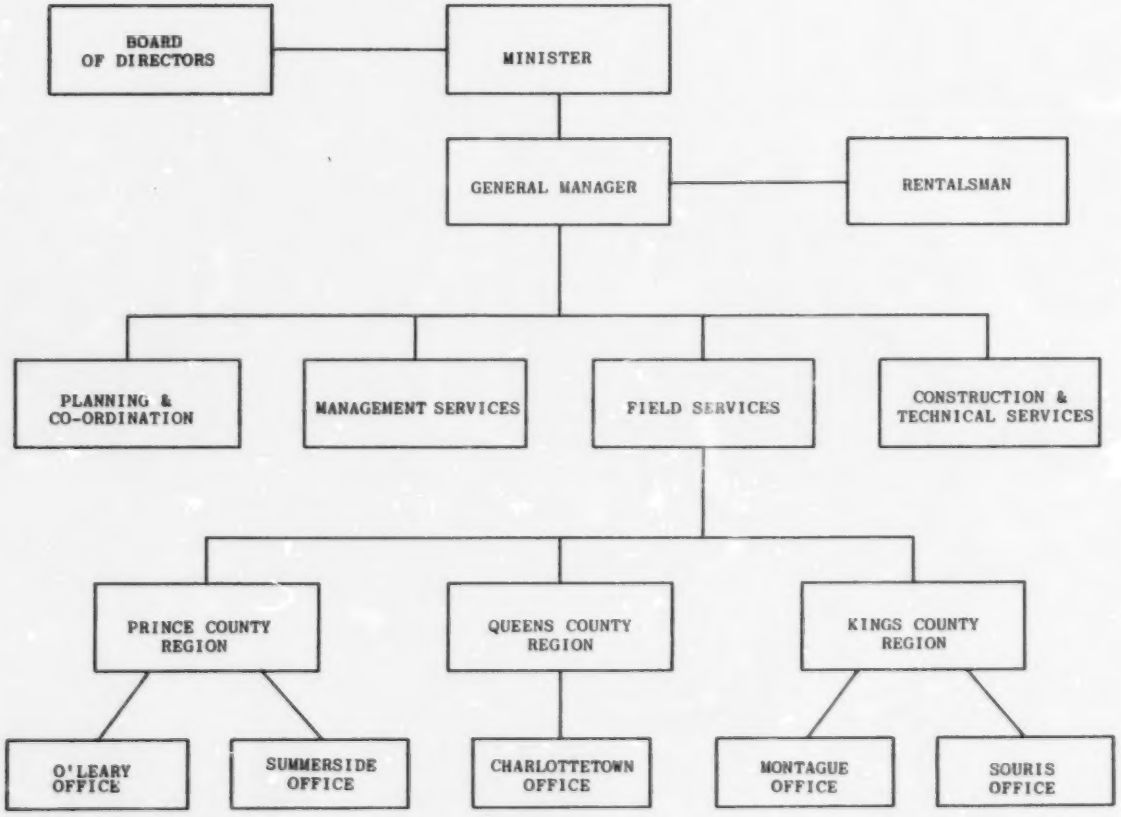
Family Housing

Official openings were held for newly constructed six unit projects in Tignish, Summerside and Montague. Construction started on projects in Cornwall (6 units), Souris (6) and O'Leary (5).

Helping Hands for Seniors

Fourteen students were employed during the summer of 1983 to assist senior citizen homeowners in the exterior upkeep of their homes. Work was carried out in the homes of 148 seniors.

ORGANIZATIONAL CHART
PRINCE EDWARD ISLAND HOUSING CORPORATION



Organization and Divisional Activities

Organization

The Prince Edward Island Housing Corporation is a provincial crown corporation whose objective is to provide low and moderate income Island residents with increased access to adequate housing. The Province first initiated its own housing programs in the early 1960's when boards and agencies were established to undertake Senior Citizens Housing, Co-operative Housing and Family Housing projects. These agencies were brought together in 1969 as part of the Prince Edward Island Housing Authority. A revision of the housing legislation in 1975 changed the name of that body to its current designation, the Prince Edward Island Housing Corporation.

The actions of the Housing Corporation are conducted under the guidance of the Board of Directors. The Board is responsible to the Minister designated as Responsible for the Prince Edward Island Housing Corporation. It has been traditional that the Minister is also appointed as Chairman of the Board. The chief executive officer is the General Manager. Reporting to the General Manager are the Rentalsman and the directors of the Corporation's four divisions. The following provides an outline of the responsibilities and activities of these divisions. The operations of the Office of the Rentalsman are reviewed in a separate section of the Annual Report.

Field Services

Field Services is responsible for the program delivery functions of the Housing Corporation. It is the largest of the Corporation's divisions and provides the staff for the five regional offices and two satellite offices. Most members of the public have their contact with the Corporation through Field Services staff. Among the tasks performed by the Division are processing applications for assistance, conducting inspections, managing the housing stock owned by the Corporation, providing technical and administration assistance to the local authorities and handling the day-to-day program inquiries.

With the decentralization of maintenance in 1983, the Field Services Division took on a new responsibility. The Housing Corporation directly administered a housing stock of 951 units as at the end of 1983 and with the growing number of units and aging of the stock, it had become increasingly important to the Housing Corporation to adopt a regional approach to maintenance. As part of the maintenance responsibility, the Division also made arrangements in 1983 for the operation of emergency electrical power generators at the Corporation's Senior Citizens Housing projects. This work involved enlisting and training volunteers from local service clubs, fire departments and neighbours to start and operate the generators when so needed. The Division also had a very active year in terms of program delivery, as previous statistics indicate, with programs such as the Residential Rehabilitation Assistance Program, Provincial Contribution to Seniors — Home Repair Program and Helping Hands for Seniors Project either exceeding or matching 1982 approval levels.

Construction and Technical Services Division

This Division is responsible for the construction of capital projects for the Housing Corporation. Its duties include locating and evaluating sites for the projects, land acquisition, liaising with architects on project designs, reviewing tender package submissions in co-operation with CMHC, supervising the tender calls, monitoring construction and accepting the completed projects. The Division also provides technical services advice, where required, to Field Services.

The relatively large capital construction programs of 1982/83 and 1983/84 ensured a heavy workload for this the smallest of the Corporation's divisions. At one point in 1983, for instance, the Construction and Technical Services Division was involved in taking over seven newly completed Senior Citizens Housing projects and three Family Housing projects while simultaneously making preparations for an equal number of new Senior Citizens and Family Housing projects.

Management Services

Financial operations and management systems are the prime concerns of the Management Services Division. In the area of financial operations, the Division is responsible for preparing the Corporation's budget, monitoring spending, cheque disbursements, accounting records and financial control. The Division receives all mortgage and rent payments to the Corporation and administers the collection and arrears procedures. With respect to management systems, the Division assists other divisions in setting program objectives and in assessing progress on these. It also review procedures for efficiency, manages office operations including equipment and supplies, and is responsible for personnel. In addition to their work for the Housing Corporation, several members of the Division provide financial management and personnel services to the Provincial Department of Community and Cultural Affairs.

The Housing Corporation has assets valued at approximately $31 million and has annual direct expenditures exceeding $5 million. Of these expenditures approximately 25% of the amount requires actual provincial appropriations. Rental income, cost-shared federal funding input and administration fees paid to the Corporation account for the balance of the financing of the Corporation's operations. Among the major financial activities of the Corporation are the administration of 646 mortgage accounts, receipt of rent collections from the regions for the social housing portfolio and the administration of budgets for federal/provincial cost shared projects.

Planning and Co-ordination Division

In many respects, the prime function of the Planning and Co-ordination Division is to put the Corporation in as effective a position as possible to meet the housing needs of the Province. In the area of planning, the Division is responsible for long range and ongoing program planning, policy development, assessment of housing needs, market analysis and maintenance of statistical records and housing data. The co-ordination functions include working with the other divisions in scheduling program delivery and budget take-up, reviewing program procedures and providing resource assistance, and the responsibility for liaison and negotiations with federal, provincial and municipal agencies. Public information also falls under the mandate of the Division.

One of the more prominent undertakings for Planning and Co-ordination in 1983 involved the Summerside Manor and Riverside Home for Special Care projects. Both of these provincial facilities will be benefitting from federal assistance under CMHC's public non-profit program. The Division participates in the planning for these projects, arranging the financing and securing the federal assistance.

The Office of the Rentalsman

Responsibilities

The Office of the Rentalsman was established in 1975 to administer the Rent Review Act. In 1980, the Office was also given the responsibility for administering the Landlord and Tenant Act. The Office was integrated with the P.E.I. Housing Corporation in 1981.

Under the Rent Review Act, all landlords of residential properties and mobile home lots must apply for approval of rent increases where the increase exceeds the allowable percentage established annually by the Lieutenant Governor-in-Council. Tenants must be given written three month notice before a rent increase can be charged. Until approval is obtained, only an increase within the allowable percentage may be charged and collected. When an application is made, an informal hearing before the Rentalsman is held to allow both the landlord and the tenant to provide any relevant information. The Rentalsman then makes a decision on the application after giving consideration to such factors as operating costs, expenditures on maintenance, capital improvements and the profit or loss of the landlord. The Rent Review Act provides for the right of appeal to the Supreme Court of P.E.I. by parties who attend the hearing.

Part V of the Landlord and Tenant Act governs the rights and obligations that landlords and tenants have in respect to rented premises. Matters that fall under the jurisdiction of this Act include residential tenancy arrangements, notice to vacate, repairs and maintenance, invasion of privacy, damages and non-payment of rent. The ultimate adjudication of disputes in matters governed by the Act rests with the court system.

John A. Comeau has served in the position of Rentalsman since the creation of the Office in 1975.

Activities in 1983

The allowable percentages for rent increase in 1983 were six per cent for heated units and four per cent for unheated units. Where no increase had been made in the previous year, the allowable percentages were ten per cent for heated and six per cent for unheated units.

The overall reduction in the inflation rate in 1983 resulted in fewer requests for rent increases exceeding the allowable percentages. Two hundred and forty applications, affecting 659 units, were filed in 1983 compared to 366 applications for 1045 units in 1982. Average increases requested were also more moderate in 1983 as Table II in this section demonstrates. The Office did, however, continue to receive a large number of inquiries concerning matters such as security deposits, terminations and maintenance.

With interest rates having declined from their previous high levels and with limited increases in energy costs, the allowable percentages for 1984 has been set at three per cent for both heated and unheated units. Where no increase was made in the previous year, the allowable increase has been established at five per cent for 1984.

Considerable discussion took place during the year on legislation affecting rented premises in P.E.I. The Residential Tenancies Act was tabled for first reading in the Provincial Legislature during its 1983 session. This Act would revise existing legislation pertaining to rented residential tenancies and would provide an alternative to the court system for arbitrating landlord/tenant disputes. Passage of the Act was not sought at that session in order to provide time for input from interested parties.

Statistical Report on Rent Review Applications

The figures in the following tables are for calendar years.

TABLE I — APPLICATIONS AND DECISIONS

	No. of Applications	No. of Units
Applications 1983		
Applications Resulting in Decisions		
Applications for Rent Increases	210	608
Applications for Trailer Parks	1	8
Applications for Rooming Houses	1	15
Applications to Discontinue Service	5	5
Applications Not Requiring Decisions		
Cancelled by Landlord	9	9
Tenants Moved Out	0	0
Application Not Required	2	2
Increase Not Allowable	2	2
Applications Pending at Year's End	10	10
Total	240	659
Decisions 1983		
Residential Properties		
Rent Increases Approved	142	320
Rent Increases Not Approved	68	288
Trailer Parks		
Rent Increases Approved	1	8
Rent Increases Not Approved	0	0
Discontinued Service		
Rent Increases Approved	0	0
Rent Increases Not Approved	0	0
Rents Reduced	4	4
Deemed Not a Discontinued Service	1	1
Total Orders Issued	217	636

TABLE II — RENT INCREASES SOUGHT AND APPROVED

	1983	1982
Rent increases applied for and approved	142	203
Number of Units	320	510
Average Rent at Application	$260.29	$282.82
Average Increase Requested	$ 30.92	$ 38.91
Average Percentage Approved	11.88%	14.80%
Average Rent After Approval	$291.21	$301.68
Rent increases not approved as applied for	68	41
Number of Units	288	248
Average Rent at Application	$295.08	$264.27
Average Increase Requested	$ 62.17	$ 69.40
Average Percentage Requested	21.07%	26.26%
Average Increases Approved	$ 29.45	$ 42.30
Average Percentage Approved	9.98%	16.01%
Average Rent After Approval	$324.53	$306.57
Consolidated Information		
Number of Units	608	758
Average Rent of Application	$277.69	$263.29
Average Increase Requested	$ 46.55	$ 48.89
Average Percentage Requested	16.76%	18.57%
Average Increase Approved	$ 30.19	$ 40.20
Average Percentage Approved	10.87%	15.20%
Average Rent After Approval	$307.87	$303.31

Financial Statements

AUDITOR'S REPORT

To The Board of Directors
Prince Edward Island Housing Corporation

I have examined the balance sheet of the Prince Edward Island Housing Corporation as at March 31, 1983 and the statement of income for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Corporation as at March 31, 1983 and the results of its operations for the year then ended in accordance with the disclosed basis of accounting applied on a basis consistent with that of the preceding year.

T. Kaptein, C.A.
Auditor General

Charlottetown, Prince Edward Island
August 17, 1983

STATEMENT 1

PRINCE EDWARD ISLAND HOUSING CORPORATION
BALANCE SHEET
MARCH 31, 1983
(with comparative figures as at March 31, 1982)

ASSETS

	1983	1982
Current Assets		
Cash	$ 300	$ 155,900
Accounts Receivable	1,775,800	1,005,100
Deposit Receipts — Notes 1(a) and 12	236,000	294,400
	2,012,100	1,455,400
Mortgages Receivable	9,058,600	9,847,900
Investment in Properties:		
Agreements for sale — Note 3	683,400	705,600
Land for resale — Note 4	2,459,100	3,208,600
Federal-Provincial Projects — Note 5	3,670,000	2,634,900
Rental Housing Projects — Note 6	12,360,200	12,314,500
	19,172,700	18,863,600
Other Assets — Schedule 1	431,900	427,200
Total Assets	$30,675,300	$30,594,100

LIABILITIES AND EQUITY

	1983	1982
Current Liabilities		
Bank Indebtedness — Note 7	$ 778,700	$ 590,000
Accounts Payable and accrued liabilities — Note 8	1,757,600	1,899,500
Debenture Payable — Province of P.E.I.	1,700,000	1,200,000
	4,236,300	3,689,500
Long-term Liabilities		
CMHC — Note 10	17,824,800	18,365,000
Province of P.E.I.	3,726,700	3,589,200
	21,551,500	21,954,200
Reserves		
Co-operative and Social Housing — Note 1(a)	177,000	158,100
Home Repair Program — Note 11	53,200	138,900
	230,200	297,000
Equity contributed by the Province of P.E.I. — Schedule 2	4,657,300	4,653,400
	$30,675,300	$30,594,100

(Notes 1 to 12 are an integral part of these financial statements)

STATEMENT 2

PRINCE EDWARD ISLAND HOUSING CORPORATION
STATEMENT OF INCOME
FOR THE YEAR ENDED MARCH 31, 1983
(with comparative figures for the year ended March 31, 1982)

	1983	1982
Income		
Appropriations from the Province of P.E.I.	$1,295,200	$1,324,200
Appropriations from reserve for home repair — Note 12	102,200	68,600
CMHC operating cost recoveries	851,200	816,000
Administration fees	499,900	369,200
Rental income	1,457,800	1,187,300
Interest income	1,203,100	1,263,300
Sundry — Schedule 3	28,900	34,400
Total income	5,438,300	5,063,000
Expenses		
Administration — Schedule 4	1,561,500	1,309,400
Operating — Senior Citizen Housing — Schedule 5	1,687,700	1,449,200
Interest	2,057,500	2,166,300
Grants issued — Schedule 6	131,600	138,100
Total expenses	5,438,300	5,063,000
Gain (loss) on operations	—	—
Provision for possible losses on land under development — Note 12	(851,300)	(200,000)
Provincial contribution — Note 12	851,300	200,000
Income (loss) for the year	$ —	$ —

(Notes 1 to 12 are an integral part of these financial statements)

SCHEDULE 1

PRINCE EDWARD ISLAND HOUSING CORPORATION
OTHER ASSETS
MARCH 31, 1983

	1983	1982
Stores Inventory	$ —	$ 1,000
Emergency Power Generators — Note 2	77,400	—
Office Equipment	86,200	82,200
Vehicles and Equipment — Senior Citizens Housing	52,600	50,200
Debenture Receivable	12,100	14,000
Repossessed Properties	34,500	214,800
Sales Office — Hillsborough Development	65,000	65,000
Investment in Land Under Purchase Agreement	100,100	—
Prepaid Expense	4,000	—
	$ 431,900	$ 427,200

SCHEDULE 2

PRINCE EDWARD ISLAND HOUSING CORPORATION
SCHEDULE OF EQUITY
MARCH 31, 1983

Beginning balance — April 1, 1982		$4,653,400
Add: Additions for the year		
— Office Equipment		6,400
Less: Deductions for the year		
— Senior Citizens Housing	1,000	
— Family Housing	1,500	(2,500)
Equity contributed by the Province of Prince Edward Island		$4,657,300

SCHEDULE 3

PRINCE EDWARD ISLAND HOUSING CORPORATION
SUNDRY INCOME
MARCH 31, 1983

	1983	1982
Rebate on Grants Issued	$ 6,600	$ 17,600
Family Housing — Operating Revenue	22,200	12,200
Other	100	4,600
	$ 28,900	$ 34,400

SCHEDULE 4

PRINCE EDWARD ISLAND HOUSING CORPORATION
ADMINISTRATION EXPENSES
MARCH 31, 1983

	1983	1982
Salaries	$1,165,300	$1,094,300
Travel	81,700	83,400
Office and Administration	182,400	92,800
Decentralization of Operations	—	20,100
Bad Debts	1,600	—
Loss on Disposal of Repossessed Property	37,300	18,800
Loss on Disposal of Land — Note 9	93,200	—
	$1,561,500	$1,309,400

SCHEDULE 5

PRINCE EDWARD ISLAND HOUSING CORPORATION
OPERATING EXPENSES — SENIOR CITIZENS HOUSING
MARCH 31, 1983

	1983	1982
Repairs and Maintenance	$ 761,800	$ 683,400
Fuel	491,100	478,200
Utilities	183,300	155,600
Property Taxes	122,000	98,900
Depreciation	35,400	33,100
Installation for Emergency Power	94,100	—
	$1,687,700	$1,449,200

SCHEDULE 6

PRINCE EDWARD ISLAND HOUSING CORPORATION
GRANTS ISSUED
MARCH 31, 1983

	1983	1982
Mortgage Subsidies	$ 26,500	$ 51,000
Municipal Improvements	—	18,500
Home Improvement Assistance	105,100	68,600
	$131,600	$138,100

PRINCE EDWARD ISLAND HOUSING CORPORATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 1983

1. Significant Accounting Policies:
   a) Trust Reserves are set aside for contingencies in co-operative and social housing and are offset by investments in deposit receipts with the Province of P.E.I.
   b) Depreciation is recorded each year on the Senior Citizens Homes and Manors equal to the principal reduction in the corresponding indebtedness to Canada Mortgage and Housing Corporation.
   c) No depreciation is recorded on Social Housing or Rural and Native Housing because the Corporation is hopeful of selling these properties to prospective tenants at cost.
   d) The Federal-Provincial project costs are amortized over the life of the Federal-Provincial agreement. Accumulated amortization represents principal reductions to date on the original investments contained in the agreement.

2. The Corporation began an emergency power installation program for the purpose of providing its Senior Citizen Homes with power generating capability for use in the event of power outages. The program is cost shared with Canada Mortgage and Housing Corporation. The Provincial share of the capital cost has been set up as an asset and will be depreciated over a period of 10 years commencing April 1, 1983.

3. Investment in properties under agreements for sale are recorded at cost less tenants' equity.

	1983	1982
Cost	$774,400	$789,100
Tenants' Equity	(91,000)	(83,500)
	$683,400	$705,600

4. Investment in land for resale consists of the following:

	1983	1982
Investment in developed land — at cost	$2,282,800	$2,099,100
Less: Provision for possible losses — Note 12	(1,251,300)	(400,000)
	1,031,500	1,699,100
Land held for development or resale — at cost	1,427,600	1,509,500
	$2,459,100	$3,208,600

5. Investment in Federal-Provincial projects are recorded at cost less accumulated amortization and consists of the following:

	1983	1982
Family Housing	$1,338,900	$1,188,000
Senior Citizens Housing	2,341,900	1,455,200
Sub-total	3,680,800	2,643,200
Less: Accumulated Amortization	(10,800)	(8,300)
	$3,670,000	$2,634,900

6. Rental Housing properties are recorded at cost less accumulated amortization and consist of the following:

	1983	1982
Senior Citizens Homes	$ 9,115,300	$ 9,115,300
Manors	2,963,600	2,831,100
Rural and Native Housing	542,300	509,900
Social Housing	174,500	245,800
Sub-total	12,795,700	12,702,100
Less: Accumulated Amortization	(435,500)	(387,600)
	$12,360,200	$12,314,500

7. Bank indebtedness is guaranteed by the Province of P.E.I.

8. The Corporation has contractual obligations on construction contracts amounting to $424,000.

   Also, the Corporation is contingently liable for the following:

— to approved program applicants for Home Repair Grants	$29,400
— to Canada Mortgage and Housing Corporation for Residential Rehabilitation Assistance Program Fund recipients	32,800
	$62,200

9. The loss on disposal of land is comprised of the following transactions:

   1. $66,200 The Corporation maintains an inventory of properties which it holds for future use in housing programs. During the year a number of parcels were taken up for the construction of new Senior Citizens Housing. The value of the land component that could be allocated to those projects was less than the cost base established for the land. As a result a loss on conversion was incurred.

   2. $27,000 An action had been initiated against the Corporation as third party over a dispute on the ownership of land that had previously been sold by the Corporation. The Corporation acknowledged a liability in this matter which resulted in a payment of $27,000 as a full settlement on same.

10. Loans payable to Canada Mortgage and Housing Corporation consists of the following:

	1983	1982
Mortgages Payable	$ 4,268,000	$ 4,304,800
Debentures Payable	6,694,200	6,753,400
Loans Payable	6,862,600	7,306,800
	$17,824,800	$18,365,000

11. The Corporation continued with a program of home repair for senior citizens. The expenditures associated with this program are appropriated from a reserve fund. The results for the year are as follows:

Reserve Fund balance — April 1, 1982	$ 138,900
Add: Interest earned for the year	16,500
Less: Home Repair Grants	(102,200)
Reserve Fund balance — March 31, 1983	$ 53,200

The Reserve Fund is invested in a deposit receipt with the Province of P.E.I.

12. There was no sales activity at the Hillsborough Development Land Assembly project and as a result there was no profit or loss reported. The Corporation however did increase the provision for possible losses by $851,300 for the year. This provision was funded by an appropriation from the Province of P.E.I.

POOR

QUALITY

ORIGINAL